

**REMARKS**

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

By the foregoing amendment, claims 36-40 have been added. Claims 10-14 and 30-35 are withdrawn. No new matter has been added. The claim amendments are supported fully by the specification as filed, for example they are supported at least by Figures 1-4, 14b, 14d, 14e, and 18a and pages 3, 8-13, 16, 20, and 31 of the written description. Claims 15-29 and 36-40 are currently pending in the application and subject to examination.

Claims 15-29 are rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,475,399 to Borsuk ("Borsuk") in view of U.S. Patent No. 5,532,920 to Hartrick et al. ("Hartrick"). The Applicants hereby traverse the rejection as follows.

Borsuk is cited as disclosing providing on-line accounts for purchases of electronic books via a computer including storing identifications of a plurality of electronic books on a viewer in a repository accessible by a processor at an operations center and providing the electronic books for purchase by subscribers at a user interface functioning via the processor.

Borsuk is directed to a hand held reading unit that is capable of presenting characters in variable font size to assist the visually impaired. See, abstract of Borsuk. Fig. 2, element 40 of Borsuk illustrates a microprocessor and controller within the reading unit 1. This element (40) is cited as disclosing "providing electronic books for purchase by subscribers at a user interface functioning via a processor [at an operations center]." Borsuk discloses nothing regarding providing electronic books to

subscribers for purchase. Instead, microprocessor 40 merely displays material on the reading unit.

Column 6, lines 1-17 of Borsuk describe, in connection with Figure 5, that text data can be downloaded to the reading unit from a larger mass storage data base [and] . . . a telephone modem 80 may be provided and linked with the PC 70 allowing access to text files from multiple remote locations." Borsuk, as cited, merely discloses downloading text files via a modem, and does not disclose or suggest providing electronic books for purchase by subscribers at a user interface functioning via a processor [at an operations center]. There is no mention whatsoever of purchasing electronic books in Borsuk.

Further, the Office Action admits that Borsuk fails to disclose initializing a plurality of home subsystems to create on-line accounts for a plurality of subscribers, maintaining the on-line accounts for the subscribers, recording via the processor an indication of purchases of the electronic books in the corresponding accounts, associating via the processor an amount of each purchase with the source for the corresponding electronic book, and permitting each of the subscribers to access a corresponding one of the on-line accounts for the subscriber. The Office Action relies on Hartrick as allegedly disclosing this combination of features.

Hartrick discloses a system where publishers prepare a storage disk of a book "that includes royalty payment information." See, abstract of Hartrick. The abstract further states that:

To read the book from the storage disk, the user applies a special softcopy book reading program at his workstation. If the user enters a command to copy the book onto a writable storage medium . . . or to print a hardcopy of the book with a printer or to transmit a copy of the book over a

modem, a royalty payment program intercepts the copying command and suspends the copying operations. Instead, the royalty payment program presents the user with a display of the royalty payment information . . . [t]he user must select the option of paying a royalty to the publisher before the royalty payment program permits a copy of the book to be made.

Column 12, lines 1-2 and 20-22 of Hartrick describe that “the royalty payment program intercepts the copying command” and “a communication session is established between the user’s workstation 10 and the publisher’s data processor 15.” This includes a request being sent by the user to the publisher to be able to make a copy of the book, where “the request message includes the user’s name, his mailing address, and his credit card number or other billing information.” See, column 12, lines 25-30.

Thus, Hartrick, as cited, fails to disclose at least the combination of initializing a plurality of home subsystems to create on-line accounts for a plurality of subscribers, maintaining the on-line accounts for the subscribers in the repository [at the operations center], associating via the processor an amount of each purchase with the source for the corresponding book, and permitting each of the subscribers to access a corresponding one of the on-line accounts for the subscriber at a user interface functioning via the processor [at the operations center], as recited in claim 15.

Hartrick, as cited, does not disclose or suggest initializing or maintaining on-line accounts at all. Rather, Hartrick suspends copy requests from a user and prompts the user to send a request message to a publisher, the message including the user’s credit card information. Hartrick describes that each request to copy will prompt the user to send such a request. No on-line account is initialized or maintained for the user, and Hatrrick’s system does not “[permit] each of the subscribers to access a corresponding

one of the on-line accounts for the subscriber at a user interface functioning via the processor [at the operations center]," as in claim 15.

Thus, the Applicant submits that Borsuk and Hartrick, whether taken alone or in combination, fail to disclose or suggest a method for providing on-line accounts for purchases of electronic books via a computer, including at least the combination of storing identifications of a plurality of electronic books on a viewer in a repository accessible by a processor at an operations center; providing the electronic books for purchase by subscribers at a user interface functioning via the processor; initializing a plurality of home subsystems to create on-line accounts for a plurality of subscribers, including transferring subscriber information and a billing account to a billing and collection system for each of the subscribers; recording via the processor an indication of purchases of the electronic books in the corresponding accounts; and associating via the processor an amount of each purchase with the source for the corresponding electronic book, as recited in claim 15.

For at least this combination of reasons, the Applicant submits that claim 15 is allowable over the cited art.

For similar reasons, the Applicant submits that claims 20 and 25 are likewise allowable. As claims 15, 20, and 25 are allowable, the Applicant submits that claims 16-19, 21-24, 26-29, and newly added claims 36-40, which depend from allowable claims 15, 20, and 25, are therefore also allowable for at least the above noted combination of reasons.

**CONCLUSION**

For all of the above reasons, it is respectfully submitted that the claims now pending patentably distinguish the present invention from the cited references. Accordingly, reconsideration and withdrawal of the outstanding rejections and an issuance of a Notice of Allowance are earnestly solicited.

Should the Examiner determine that any further action is necessary to place this application into better form, the Examiner is encouraged to telephone the undersigned representative at the number listed below.

In the event this paper is not considered to be timely filed, the Applicants hereby petition for an appropriate extension of time. The fee for this extension may be charged to our Deposit Account No. 01-2300. The Commissioner is hereby authorized to charge any fee deficiency or credit any overpayment associated with this communication to Deposit Account No. 01-2300, with reference to Attorney Docket No. 033033-00034.

Respectfully submitted,

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